



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



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TO: Local and Intermediate School Superintendents, Public School Academy
Directors, and Nonpublic School Administrators

FROM: Carol Wolenberg, Deputy Superintendent *CW*

DATE: June 23, 2008

SUBJECT: Maximize Your Commodity Value and Usage

You are probably fully aware that prices for United States Department of Agriculture (USDA) donated food commodities for use in programs such as the National School Lunch Program continue to escalate. This causes your commodity entitlement dollars to support less of the costs of your school's lunch and breakfast programs. We understand the impact this is having on operational costs. Here are some helpful tips from USDA that can help your school district maximize on the commodity value and usage:

- Commodities are real dollars. Know your planned assistance level (PAL) and order commodities to use all of the entitlement value assigned to your school district.
- Be aware of the ordering procedure used by your commodity consortium for processing, procurement, storage, and delivery options to help you make good choices in managing your commodities.
- Do an annual procurement plan based on your menus. Order commodities to meet your menu needs to maximize the use of commodity dollars during the current school year.
- Be aware of the value of commodities and compare them with your commercial prices.
- Make the most of your entitlement dollars. Order some bulk commodities for processing to get a lower cost per pound. This enables you to stretch your commodity dollars.
- Minimize storage and warehousing costs by:
 1. Ordering wisely across all commodity groups. Don't put all your eggs in one basket!
 2. Moving all commodities quickly through your distribution system.

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3. Following the negotiated ordering levels (minimum of cases) and delivery schedules with distributors to eliminate extra delivery charges.
4. Responding to notices from your consortium for opportunities to order more commodities including bonus commodities that may become available during the school year.

In addition, there is a new USDA website that has resources for school nutrition professionals, the media, and parents. Users can find a variety of fact sheets, recipes, talking points, and other resources with information about commodities. By clicking on the new logo at the USDA website, <http://www.commodityfoods.usda.gov>, schools will be able to access accurate and timely information about USDA commodity programs and commodity foods.

To track school balances of commodities at processors, a spreadsheet with pounds of raw commodities used each month, as well as the commodity value of the remaining entitlement throughout the school year, is available in the Sales Verification and Balance Reports at the following websites www.k12foodservice.com and <https://processorlink.com/>. The school food service staff can request a login and password to access the commodity balance information for their school at the home page for each of the websites.

Each school is responsible for ordering the commodity products from their distributors in order to draw down the raw commodities at each processor. By clicking on the manufacturer logo at the K12 food service and processor link websites, schools can access the menu planners that are available from the manufacturers that are participating in the commodity processing. The planners can be of great assistance to the schools for determining which commodities and the quantity of each commodity that are needed for the coming school year.

If your school food service staff needs additional training to use the websites, contact Jayme Priest in the Fiscal Management and Food Distribution Unit at (517) 335-3792 or by e-mail at priestj@michigan.gov.